

FISCAL NOTE

SB 822 - HB 1123

March 9, 2005

SUMMARY OF BILL: Requires every person to register with the local codes administration department when contracting for the construction, erection, alteration, repair, removal, or demolition of any building. Additionally, permit bonds of variable amounts for different types of work and different values would be required.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures – Exceeds \$100,000*

Other Fiscal Impact – The bill specifies that part of the role of the bond requirement is to indemnify local governments against any loss they may suffer if a contractor fails to comply with laws, ordinances, rules or regulations. Therefore, there may be some decrease in local government expenditures; however, such decrease cannot reasonably be estimated due to the variability of such occurrences.

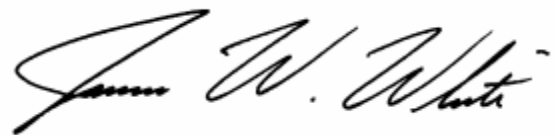
Assumption:

- There will be an increase in local government expenditures due to the need for additional staff in local codes departments to administer the provisions of the bill. This increase is estimated to exceed \$100,000.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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